

State tax credit for Natalie's House

Arizona state law allows individuals and couples to make a contribution to an "Arizona Qualifying Charitable Organization," which allows you to direct where your tax dollars are spent to support local children in foster care. Natalie's House through its parent organization APECA is a 501(c)3 Qualifying Charitable Organization and donations may qualify for a tax credit on your Arizona state taxes.

(Note: New legislation makes the Charitable tax credit its own stand-alone category, different from the Public School, Private School and Foster Care tax credits. **The deadline to make a donation and qualify for a charitable tax credit is the tax filing deadline.** Please talk to your tax advisor to learn more.)

- For married taxpayers, the maximum credit is \$800.
- For single taxpayers or heads of household, the maximum amount is \$400.

How it works:

When you receive your W-2 and complete your tax return, one of three things will happen.

1. You end up having no tax liability.
2. You overpaid during the year and are receiving a refund or
3. You owe additional state taxes because not enough withholdings occurred during the year throughout your paychecks.

If you fall into #2 or #3, you'll pay Arizona state income taxes.

- **Taking advantage of the tax credit allows you either to increase the amount of refund you receive from the state or decrease what you owe to the state.**
- **It allows you to designate what your tax payment actually does.**

APECA will accept donations in any amount.

Q: How is a tax credit different from a tax deduction?

A: Tax deductions are expenses, including charitable donations, that reduce your total taxable income and therefore the amount of tax you pay. A tax credit is different: A tax credit allows you to redirect 100 percent of the amount designated (up to \$800 for taxpayers filing jointly and \$400 for individual taxpayers), dollar-for-dollar, to the areas you choose.

Additionally, if you itemize your taxes on your U.S. federal tax return, you may be able to claim your donation as a federal tax deduction, thus lowering the amount of federal tax you'll pay to the IRS.*

We encourage you to check with your professional tax advisor for advice on your personal tax situation and to learn how charitable giving to APECA (Natalie's House) may specifically benefit you.

For more detailed information regarding the Tax Credit program, please call the Arizona Department of Revenue at 602.255.3381 or 800.352.4090 or visit www.azdor.gov.